

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 98-0644

Sales and Use Taxes

Calendar Years 1995, 1996, and 1997

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ISSUE(S)

I. Unitary Transaction – Installation Charges

Authority: IC 6-2.5-4-1; 45 IAC 2.2-4-1

Taxpayer protests the inclusion of labor for the installation of alarm systems.

STATEMENT OF FACTS

Taxpayer, in a letter dated September 4, 1998 protested the inclusion of labor to install alarm systems subject to sales tax in its audit completed on August 7, 1998. Auditor supplemented the original audit on October 4, 1999 to remove the separately stated installation costs from the assessment. In addition, the auditor, in its supplemental allowed credit for additional installation where tax had been assessed by the taxpayer.

The Department, in a letter dated August 25, 1999, advised the taxpayer that the file was being returned to the auditor to remove the additional taxable sales pertaining to separately stated installation charges because separately stated installation charges after the transfer of the equipment are not subject to sales tax pursuant to IC 6-2.5-4-1.

Taxpayer has not provided additional evidence that the audit or supplemental audit assessments are in error.

I. **Unitary Transaction** – Installation charges

DISCUSSION

Taxpayer, in a letter dated September 4, 1998 protested the inclusion of labor subject to tax for its installation costs of alarms. The auditor, On October 4, 1999 supplemented the audit for the separately stated installation costs previously assessed and also gave credit for tax paid by taxpayer for additional like invoices.

The department supplemented the audit according to the taxpayer's protest but failed to obtain a letter of withdrawal. The taxpayer was scheduled for hearing on December 6, 1999 but failed to appear, therefore, it is assumed that no further protest is made.

FINDING

Taxpayer's protest is partially sustained to the extent the tax has been adjusted in the supplemental audit. Taxpayer's protest is denied for the remaining issues.